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TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE 497th MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 29 August 1973, at 10.30 a.m.

President: Mr. KHAN (Pakistan)

later: Mr. CASTELLANOS (Venezuela)

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The meeting was called to order at 11.15 a.m.

OPENING OF THE SESSION

1. The TEMPORARY PRESIDENT declared open the eighteenth session of the Trade and Development Board.

PROCEDURAL MATTERS (item 1 of the provisional agenda)

(a) ELECTION OF OFFICERS

Election of the President

2. The TEMPORARY PRESIDENT invited the Board, in pursuance of rule 18 of the rules of procedure, to elect the President of the eighteenth session from among the representatives of the countries listed in Part C of the annex to General Assembly resolution 1995 (XIX), in accordance with the rotation of the office of President provided for in rule 19, paragraph 2, of the rules of procedure and annex I to the rules.

3. Mrs. AUGUSTE (Trinidad and Tobago), speaking on behalf of the Group of 77, nominated Mr. Castellanos (Venezuela).

4. Mr. MATTHIAS (Federal Republic of Germany), speaking on behalf of Group B, and Mr. ZAPOTOCKY (Czechoslovakia), on behalf of Group D, supported the nomination.

5. Mr. Castellanos (Venezuela) was elected President by acclamation and took the Chair.

TRIBUTE TO THE MEMORY OF JOMO KENYATTA, PRESIDENT OF KENYA

6. The PRESIDENT paid a brief tribute to the memory of President Kenyatta, describing him as a towering figure of African nationalism who had suffered long years of imprisonment for his beliefs but had emerged to lead his people to independence and to preside over Kenya in a spirit of magnanimity and reconciliation.

7. On the proposal of the President, the members of the Board observed a minute of silence in tribute to the memory of Jomo Kenyatta, President of Kenya.

STATEMENT BY THE PRESIDENT

8. The PRESIDENT, after thanking the Board for the honour conferred on his country by electing him to preside over the eighteenth session, went on to say that if the world was to recover from its current structural crisis and advance towards the New International Economic Order, it could do so only through the will and the co-operation of all countries. The opening agenda item dealt with the interdependence of problems of trade, development finance and the international monetary system: nations and problems were interlinked, and the responsibility for action must be shared by all. The current structural crisis required the

restructuring of economies, particularly those dynamic economies around which the world's economic system revolved. A world approach to trade, including trade relations between countries with different economic and social systems, would benefit everyone.

9. The key item on the agenda was undoubtedly the fifth session of the United Nations Conference on Trade and Development, which would provide an opportunity for reviewing past progress and formulating future action while taking a wider view of problems than has become customary.

10. Since the middle of the 1970s, stagnation in international trade had been accompanied by high rates of unemployment and inflation which had markedly aggravated the development problems of two-thirds of mankind. Thought must be given to the interrelationship between trade and development, and to the question whether the existing development models, combined with the present trade structure, were not calculated to impair rather than improve the quality of life. By imitating the life styles of rich countries, poor countries might well be putting themselves in a situation incompatible with achieving greater equality and making the best use of their limited resources for the welfare of their peoples. Development linked to an unbridled consumer outlook was not the right model for developing countries nor the wisest one for the industrialized countries themselves.

11. Decisions by the Board on the reports and activities of its subsidiary bodies were of particular importance since they were related to the main agenda items for the fifth session of UNCTAD. The Board must reduce the delay in achieving fruitful work on the Integrated Programme for Commodities, which was a key element in the establishment of the new International Economic Order. It was regrettable that in the case of manufactures and semi-manufactures, substantive work on access to markets had to await the outcome of negotiations in other forums. It was a matter of regret also that negotiations of such importance to the international economy had been conducted among very few countries and that there had been notable departures from the programme basis adopted at the ministerial level in 1975 and to apply laws and fair rules rather than adapt them to the special circumstances of developing countries. Substantial changes were required in trade relations to take account of development problems, and in that connexion a frank discussion on protectionism, one of the agenda items suggested for the forthcoming Conference, was essential.

12. Another major problem, which had not been given the attention it deserved, was inflation, an aspect of financing which had led the late President Kenyatta to state rightly at the fourth session of the Conference that the flows and balances of development aid must serve to bridge the gaps which outraged social justice and bedevilled mankind with constant threats of insecurity.

13. Economic co-operation among developing countries had made considerable advances in theory: many regional and sub-regional schemes had been devised and conferences had increased the contacts between developing countries at world level. The time had come to formulate and implement specific policies of co-operation, and it was to be hoped that the forthcoming Arusha Conference would open up a new era in which co-operation among developing countries became one of the pillars of individual and collective self-reliance. However, such economic co-operation could not be the sole responsibility of the third world countries: it must be shared by the entire international community.

14. A group particularly seriously affected by the world economic situation was that of the least developed, island and land-locked developing countries. In accordance with the spirit of the Arusha Declaration, they required special action programmes designed to solve their peculiar short-term and long-term problems, funded by public development assistance and including measures relating to trade policy, transfer of technology and broad economic co-operation. Island developing countries required increased assistance with port and warehousing facilities and the development of their marine resources; air fares should also be intensified to lift restrictions on their shipping. Land-locked countries too required increased assistance to improve regional and sub-regional co-operation on transit arrangements, including technical and financial assistance with installations and transport costs, to be provided by the United Nations Special Fund for Land-Locked Developing Countries.

15. In view of the great increases in military expenditure, it was impossible to deny the close interrelationship between development and disarmament: the constant drain of resources for arms had been an important factor in bringing about the current crisis. The time had come to implement article 26 of the Charter of the Economic Rights and Duties of States: the great Powers should not only convert their war industries into industries for peace and development, they should also allocate to development assistance at least 10 per cent of the resources at present devoted to maintaining the balance of terror.

16. The dissemination of information and the mobilization of public opinion should be directed towards encouraging in the industrialized world a greater awareness of the problems of trade and development and the dangers threatening mankind if an outmoded international order was maintained.

17. Faced with the current structural crisis in the world economy, UNCTAD must demonstrate its ability to exercise its negotiating role which had been enhanced in the context of the north-south dialogue by the action of the General Assembly in setting up the Committee of the Whole. All proliferation of small forums, which reduced the effectiveness of negotiations and held them up unnecessarily, must be avoided.

18. The present instability in the world economic order, of which the currency problem and protectionism were two of the elements of greatest concern to developing countries, also had multiplier effects on the industrialized centres through interdependence. There must be a change in the seemingly growing tendency to keep developing countries in the background while basic decisions affecting the

entire international community were taken by small exclusive groups. The fact that such decisions were rarely implemented was one of the reasons why the world economy had not settled down on a firmer basis. Further deterioration could be avoided only by concerted action in the appropriate United Nations bodies with all nations assuming their responsibilities.

PROCEDURAL MATTERS (agenda item 1)(resumed)

(a) ELECTION OF OFFICERS (resumed)

Election of the Rapporteur

19. Mr. JARAMILLO (Colombia), speaking on behalf of the Group of 77, nominated Mr. Kaseur (Iran).

20. Mr. Kaseur (Iran) was elected Rapporteur by acclamation.

Election of Vice-Presidents

21. Mr. MATTHIAS (Federal Republic of Germany), speaking on behalf of Group B, nominated Mr. Jay (Canada), Mr. Meissner (United States of America), Mr. Tarovsky (Austria) and Mr. Matthias (Federal Republic of Germany).

22. Mr. JARAMILLO (Colombia), speaking on behalf of the Group of 77, nominated Mr. Adeniji (Nigeria), Mr. Terrefe (Ethiopia), Mr. Xuto (Thailand) and Mr. Trucco (Chile).

23. Mr. ZAPOTOCKY, speaking on behalf of Group D, nominated Mr. Penkine (Union of Soviet Socialist Republics) and Mr. Ruzek (Czechoslovakia).

24. Mr. Jay (Canada), Mr. Meissner (United States of America), Mr. Tarovsky (Austria), Mr. Matthias (Federal Republic of Germany), Mr. Adeniji (Nigeria), Mr. Terrefe (Ethiopia), Mr. Xuto (Thailand), Mr. Trucco (Chile), Mr. Penkine (Union of Soviet Socialist Republics) and Mr. Ruzek (Czechoslovakia) were elected Vice-Presidents by acclamation.

(b) ADOPTION OF THE AGENDA AND ORGANIZATION OF THE WORK OF THE SESSION (TD/B/709 and Add. 1 and 2)

25. The PRESIDENT proposed that the Board should adopt the provisional agenda as approved during the first part of the seventeenth session, together with the sub-items included by the President of the Board in consultation with the Secretary-General of UNCTAD.

26. Mr. JARAMILLO (Colombia), speaking on behalf of the Group of 77, said that his Group would like the question of negotiations on copper under item 5 (a) to be a separate sub-item for discussion. It would be remembered that at the end of the Fourth Preparatory Meeting on Copper, held at Geneva in July, delegations of 17 countries had proposed that the Secretary-General of UNCTAD should be asked to convene a fifth preparatory meeting on 21-25 August. Since it had not been possible to hold that meeting, the important proposals made at the Board's previous session should be discussed at its current session, before the Fifth Preparatory Meeting. Appropriate machinery should be set up for such discussion.

27. The PRESIDENT said that due note would be taken of the proposal.

28. Mr. HAFNIAN (Federal Republic of Germany), speaking on behalf of Group B, said that his Group reserved its position, since it had not yet considered the matter.

29. Subject to the above reservations, the provisional agenda was adopted.

30. The PRESIDENT said that if the Board had no objection, the two sessional committees referred to in paragraph 1 of document TD/B/709/Add.2 would be convened. The question of copper would be discussed as a separate topic under item 5(a).

31. It was so decided.

32. The PRESIDENT said that if the Board had no objection, a Working Group, open to all delegations, with the terms of reference set forth in paragraph 5 of document TD/B/709/Add.2, would be established.

33. It was so decided.

34. Mr. JARAMILLO (Colombia), speaking on behalf of the Group of 77, and referring to the proposal in paragraph 5 of document TD/B/709/Add.2 for immediate discussion of a number of sub-items, said that his Group had not yet had time to consult on the matter and would prefer consideration to be deferred until the next meeting.

35. It was so decided.

36. The PRESIDENT, referring to the tentative time-table of meetings in paragraph 6 of document TD/B/709/Add.2, said that the Board might wish to give broad endorsement to the proposed allocation of items; it would be quite free to adjust the order of work later in the light of developments.

37. It was so agreed.

(d) ESTABLISHMENT OF THE WORKING PARTY OF THE TRADE AID DEVELOPMENT BOARD ON THE UNCTAD PROGRAMME BUDGET AND THE MEDIUM-TERM PLAN (TD/B/709)

38. The PRESIDENT said that if the Board had no objection, the composition of the Working Party on the medium-term plan 1980-1983 would remain unchanged on the understanding that substitution in membership would be possible and that it would be open to all interested delegations. The term of office of members would in future be extended to cover the subsequent regular session, so that the membership would remain the same for the consideration of the medium-term plan and the related programme budget for the first biennium of the plan, and the 19 members of the Working Party would continue in office to consider in 1979 the UNCTAD programme budget for 1980-1981.